



NEW YORK STATE SENATOR

James L. Seward

Renewed Call for Property Tax Relief Needed

JAMES L. SEWARD July 15, 2010

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One of my highest priorities since first being elected to office has been to help individuals and families realize the dream of home ownership. The only way to maintain that dream is by providing meaningful property tax relief. Sadly, some Albany politicians fail to share my vision.

One of the most advantageous property tax relief initiatives in New York is the historic School Tax Relief (STAR) program. I fought hard for this plan and helped win passage of

legislation in 1997 clearing the way for the key savings program.

The STAR program was phased in over four years beginning in 1998 and as of 2007, had saved taxpayers \$22.3 billion. Nearly 2.7 million homeowners received “basic” STAR benefits by 2007, saving an average of \$710. The “enhanced” exemption has assisted more than 620,000 lower-income senior citizens, providing an average property tax savings of \$1,220.

Even with the STAR program, many homeowners were struggling to meet the rising cost of property taxes. That’s why in 2006 I joined with many of my senate colleagues in spearheading an effort to provide direct property tax relief through the STAR rebate program. As a result, the state issued its first ever property tax rebate checks, which were based on a calculation that provided a check amount of approximately thirty percent of a homeowners STAR benefit. In 2007, the STAR rebate program provided homeowners with an additional \$700 million in savings.

Last year as part of the state budget, which I opposed, the STAR rebate program was killed off. Families saw their taxes rise an average of \$2400 to fuel out of control state spending, and to top it off, the rebate checks many counted on each fall never arrived. With unemployment on the rise, and many people struggling to put food on the table, a real tax relief program was eliminated and those in power offered no substitute to fill the void.

Unfortunately, this was not the first time property tax relief efforts I have championed have been cast aside.

In 2008, the senate passed Governor Paterson’s proposal to impose a much needed cap on school property tax increases. At the same time, the senate also approved measures to help school districts deal with rising costs that force property taxes to increase. The companion legislation included:

- Relief from increasing pension costs;
- Increased aid for the construction of "green" schools and energy conservation improvements;
- Incentives for consolidated/shared services between school districts;
- School superintendent sharing;
- A ban on unfunded mandates; and
- A temporary moratorium on property reassessments.

The property tax cap and mandate relief measures were ignored by the assembly and never brought to a vote in that house.

This year, I signed on to a new plan aimed at transforming New York's property tax system and providing much needed relief. The "Homeowner Protection and Property Tax Rebate Act" was a multi-pronged approach that included:

- Property tax rebate checks for homeowners or a new tax relief credit, whichever is greater;
 - A property tax cap to hold the line on spending;
 - A property tax freeze for senior citizens age 70 or older to help them stay in their homes;
- and
- Mandate relief to reduce local costs.

Not only would the plan provide homeowners with real relief it would be paid for with savings generated from passage of a cap on state spending, which I have long advocated for and helped approve in the state senate on two separate occasions. A spending cap would have saved taxpayers \$6.4 billion in last year's budget and could produce more than enough revenue to provide property tax relief going forward.

This time the measure did not even make it to the senate floor for consideration.

I will continue to stand up for real property tax relief measures. I only hope other legislators open their eyes soon and join the cause while there are still property owners to take advantage of the savings.

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